

**STATE OF SOUTH CAROLINA**  
**RICHLAND COUNTY**

**IN THE COURT OF COMMON PLEAS**  
**FOR THE FIFTH JUDICIAL CIRCUIT**

Raymond G. Farmer, as Director of the South  
Carolina Department of Insurance,

Petitioner,

vs.

South Carolina Health Cooperative, Inc., a  
Multiple Employer Self-Insured Health Plan,

Respondent.

Civil Action No. 2014-CP-40-7340

**ORDER FOR TERMINATION OF  
REHABILITATION PROCEEDINGS  
AND DISSOLUTION**

This matter comes before me on the Petition of the Rehabilitator of South Carolina Health Cooperative, Inc., a Multiple Employer Self-Insured Health Plan (the “MEWA”), by and through counsel, for an Order approving the pro forma closing accounting, terminating the Rehabilitation proceedings and dissolving the MEWA and for further relief as specified therein. Based on the Petition and the Exhibits thereto, as well as the previous proceedings in this matter, I find the following:

1. On December 23, 2014, the MEWA was placed into rehabilitation and the Director of the South Carolina Department of Insurance (the “Department”) and his successors in office were appointed as Rehabilitator.

2. Pursuant to the Rehabilitation Order and the South Carolina Insurers Rehabilitation and Liquidation Act, S.C. Code Ann. §§ 38-27-10 *et seq.* (the “Act”), the Rehabilitator took those actions he considered necessary or appropriate to accomplish the objectives of the rehabilitation, with full power to direct and manage the insurer and to deal with the property and business of the insurer. *See* S.C. Code Ann. § 38-27-330(b) (2015).

3. In accordance with S.C. Code Ann. § 38-27-330(d) (2015), the Rehabilitator filed a Motion for Approval of Proposed Plan of Rehabilitation (the “Plan”) on June 22, 2015, which the Court approved by Order dated September 17, 2015.

4. The Rehabilitator identified and collected all assets of the MEWA, initiating several civil actions to recover assets of the insurer where in the Rehabilitator’s judgment the expense of collection was justified.

5. All claims distributions have been completed in accordance with the court-approved Plan.

6. The financial statement and exhibits attached to the Petition of the Rehabilitator reflect remaining unpaid administrative expenses to the closing date of June 30, 2023.

7. Estimated final administrative fees and expenses of the proceedings, including fees and expenses to be incurred after the closing of those proceedings, are \$375,289.

8. The purpose of the receivership has been fulfilled and neither the Rehabilitator nor his Special Deputy has any more duties to perform except as specified herein.

In light of the above findings and conclusions,

**IT IS THEREFORE ORDERED THAT:**

1. The pro forma closing accounting and administrative expenses are approved.
2. Although the Rehabilitator has completed distributions as previously authorized by this Court and reports that he knows of no unclaimed funds, in the event there are any remaining unclaimed funds after a reasonable attempt is made to distribute all of the funds of the MEWA, Petitioner is authorized and directed to transfer such remaining funds to the Treasurer of the State of South Carolina to be disposed of pursuant to S.C. Code Ann. § 27-19-220.

3. The Rehabilitator is authorized to assign all future collections on settlements and unsatisfied judgments obtained on behalf of the MEWA to Kenji Consulting LLC (“Kenji”) which shall continue to pursue collection and share any collections with the Rehabilitator’s designee, the South Carolina Life and Accident and Health Association (“SCLAHIGA”) in the manner described in the Petition.

4. The Court recognizes that some of the costs set forth in Exhibits A and B to the Petition are estimates and subject to change. The Rehabilitator shall file with this Court a Final Accounting which sets for the actual final administrative costs and actual distributions, together with all cash receipts and disbursements from the inception of the receivership to its termination at June 30, 2023.

5. Subject to the terms and conditions set forth in paragraph 9 below and the filing of the Final Accounting as set forth in paragraph 4 immediately above, the Rehabilitator, Special Deputy Rehabilitator and or their attorneys, accountants, assistants, representatives, contractors and agents are hereby discharged and all liability whatsoever on the part of the, the Special Deputy Rehabilitator or their attorneys, accountants, assistants, representatives, contractors and agents arising out of or in connection with this receivership is forever terminated.

6. All persons shall continue to be enjoined from commencing or prosecuting, without leave of this Court, any action or proceeding against the discharged persons or their attorneys, accountants, assistants, representatives, contractors and agents in connection with or arising out of their services to the Court in the receivership proceedings, and the Court shall retain jurisdiction for the purpose of enforcing this injunction.

7. All persons shall also continue to be enjoined from the institution of any actions or proceedings or the obtaining of preferences, judgments, attachments, garnishments, or liens or the levying of execution against the MEWA, its Trustees, members, assets and beneficiaries, and South Carolina Health Cooperative, Inc. (Cooperative), its member employers and assets, insured employees, and/or its participants, provided that this injunction shall not affect any responsibility for any claims adjudicated as not covered by the MEWA or any amount due under any cost-sharing arrangement between covered persons or entities and the MEWA (*e.g.*, deductible, coinsurance, etc.).

8. Both South Carolina Health Cooperative, Inc., and the MEWA are hereby dissolved, and a copy of this Order shall be filed with the office of the South Carolina Secretary of State.

9. Following completion of all other tasks pertaining to the termination of these proceedings, the Rehabilitator and/or his Special Deputy are authorized to dispose of all records pertaining to this proceeding except that the receivership financial record books and a copy of a list of paid claims are to be retained at the South Carolina Department of Insurance for one year from the date of the closing of these proceedings.

10. These proceedings shall be closed as of the date of the filing of the Final Accounting and that date shall be the date of discharge of the Rehabilitator, Special Deputy Rehabilitator, and their attorneys, accountants, assistants, representatives, contractors, and agents.

**AND IT IS SO ORDERED.**

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Jocelyn Newman  
Chief Administrative Judge  
Fifth Judicial Circuit

\_\_\_\_\_, 2023  
Columbia, South Carolina



Richland Common Pleas

**Case Caption:** Raymond G Farmer , plaintiff, et al vs South Carolina Health Cooperative Inc

**Case Number:** 2014CP4007340

**Type:** Order/Other

IT IS SO ORDERED.

Jocelyn Newman, Chief Judge for Administrative  
Purposes, Court of Common Pleas, 5th Judicial  
Circuit